**WWF-UK Request for Proposal**

**Financing Standing Forests – Scoping Phase**

**1. Context – WWF-UK Strategy**

The environmental impact of human activity on both nature and climate now threatens the survival of all life on our planet.  Since 1970, we have seen a calamitous decline in vertebrate wildlife population sizes of, on average, 73%.  Over the next decade, we face a triple challenge; to meet the needs of a growing human population against a backdrop of a dramatically changing climate and a biodiversity crisis across land and sea.

Underpinned by science, WWF-UK’s strategic vision is that **by 2030 nature’s vital signs are improving – we will have halted the loss of nature**.  We are working to avoid the sixth mass extinction of life on our planet.  If we are to ‘bend the curve’ on nature loss, we need to inspire people and institutions to tackle the greatest threats to nature and the future of our planet.

This is a **Fight for Our World** and we will focus on the following Impact Goals:

1. Accelerate the transition to a sustainable and just global food and agriculture system;
2. Avert dangerous climate change and safeguard the Polar Regions for people and nature; and
3. Protect and restore threatened habitats and species and improve rights of communities and indigenous peoples.

To achieve this impact, we need to deliver the following enabling Goals:

1. Grow support for our work and better enable our supporters to act with us; and
2. Be an inclusive, agile, accountable and continuously learning organisation with a shared mission.

**2. Background – Financing Standing Forests-Scoping Phase**

There is a growing urgency to develop new financial incentive mechanisms that will prevent deforestation and incentivise countries to leave forests standing. Two such ideas have been championed by Brazil: The Tropical Forest Finance Facility (TFFF), and the Tropical Forest Mechanism (TFM).

These mechanisms would pay countries with tropical forests an annual amount for every hectare of forest preserved or recovered but will deduct an amount from the total received if they allow deforestation. The idea is designed to create strong financial incentive for countries with tropical forests to protect and conserve them.

How both facilities can be financed is still under discussion. A kind of endowment fund, financed through sovereign lending, is the principal proposal being discussed in relation to the TFFF, but the potential for financial contributions from other sources has also been highlighted, particularly in relation to the TFM, and could make an important contribution to boosting the scale of funds available.

There is a strong case for both public and private contributions into such a facility. Tropical forests are an increasingly scarce and valuable natural asset, which deliver ecosystem services of substantial value to the whole global economy. Much of our economy, and our global supply chains, are directly dependent on nature, and yet these supply chains do not pay for the maintenance of these natural assets, or for the value of the ecosystem system services they provide. So, we need to develop mechanisms that enable financial flows to be realised that support the maintenance of the ecosystem services upon which ongoing sources of supply are dependent.

Supporting the conservation of standing forests also represents a very cost-effective way of tackling climate change, as compared with alternatives. These payments therefore make sound economic sense and can be seen not as philanthropic donations, but rather an investment in the capital base which is essential to support our ongoing prosperity.

There is a growing expectation that business and finance sector players should align themselves with environmental goals, as set out in the Paris Agreement (Article 2.1C) and the Global Biodiversity Framework (Targets 14 and 15). A growing number of countries incl. the UK are requiring companies to publish transition plans setting out how they will deliver on their climate targets, and manage their nature impacts. To date they have not been very prescriptive, but as transition plans bed in, expectations and regulatory requirements around them may be strengthened. Contributions to mechanisms such as the TFFF or the TFM

could become one of the options in a toolbox of solutions that can be included by companies in their transition plans, by providing a robust, government-backed, and efficient mechanism for companies to contribute towards halting deforestation and investing in these global public goods that protect our financial stability.

Expectations for contributions to such a facility may be strongest for companies that operate in regions containing or close to tropical forests, or that import commodities from those regions that may have associated risks of deforestation, or those companies that finance those activities, or that rely most on the ecosystem services tropical forests provide. However, given the fact that tropical forests represent a global public good and have a crucial role to play in climate regulation globally, the case could also be made for all companies.

An alternative approach might be to raise funds from the private sector through some kind of Nature Recovery Tax, an obligation on companies to pay a levy, perhaps dependent on the size of their environmental footprint – an idea that has been discussed in the UK. This could be considered as an economically efficient solution, which if applied broadly enough, and ideally across multiple countries, could level the playing field.

A related idea, of using taxation or levies on agri-commodity trade, has also been mooted by the Brazilian Government. Again, a level of coordination amongst at least some major producer and consumer countries would be necessary. This has similarities to carbon border adjustment mechanisms (CBAMs) for energy intensive goods. More work is needed to build the necessary political support for similar taxation discussions for agricultural commodities with both climate and nature impacts.

**2.1 Why now and why is WWF-UK getting involved?**

The TFFF is being developed now with a view to launch at COP 30, and the TFM is being developed in parallel. The proposal has considerable momentum, is recognised as an innovative and potentially very impactful solution and has support from a growing number of countries including the UK. But many details incl. the financing mechanism/s remain to be worked out. Developing a widely accepted expectation of private sector contributions into such a fund is something that will need to be developed over time – and may not have been achieved by the time of COP 30, even if some elements of the fund launch then. However, we can start to build private sector awareness and expectations now.

The UK Govt has also been one of the main supporters of the Brazilian Govt in developing the TFFF to date. The UK has also been a trailblazer on expectations of the financial sector and private sector around delivering the net zero transition, and the implementation of transition plans - which are now in the process of being incorporated into the international standards. So, it is well-placed to act as trailblazer on building expectations of the private sector to contribute to such a fund – through either voluntary or mandatory means.

WWF-UK is well placed to take action in this space as we have been central to the development of UK Govt thinking on transition plans and particularly the inclusion of nature issues in transition plans (running the Nature Working Group in the UK Govt’s Transition Plan Taskforce). We have also been influential with the Government through our work highlighting the deforestation-risk facing the financial sector (through our report ‘[Risky Finance’](https://www.wwf.org.uk/what-we-do/risky-finance-report)), and in demonstrating the links between deforestation and other financial crimes through our work on the [environmental crimes financial toolkit](https://www.wwf.org.uk/what-we-do/projects/environmental-crimes-financial-toolkit). WWF’s global network has developed a cross-country workstream to support the development of the TFFF, with leadership from the Global Finance Practice and Global Forest Practice. WWF-UK is represented on WWF’s Global Finance Practice Leadership Team and is leading the Global Systemic Change workstream of the Practice, so we are well-placed to work with other offices in a possible joint cross-country campaign on this issue.

**3. The Requirements of a consultant/consultancy**

**3.1 Project Scope**

WWF-UK wishes to undertake a scoping phase to develop, evaluate and consult on proposals for different private sector financing mechanisms / contribution models into a mechanism to keep forests standing, such as the TFFF, TFM, or a similar type of mechanism, including (but not necessarily limited to):

1. voluntary donations from the private sector;
2. expected contributions to be made as part of the transition plans of companies that are directly dependent on associated (high deforestation risk or nature impacting) supply chains;
3. a mandatory tax or natural resource levy that would be imposed on companies, the revenues from which would be paid into the fund;
4. a mandatory tax or natural resource levy that would be imposed on agri-commodity imports, the revenues of which would be paid into the fund;
5. A tax on profits from hard-to-abate, profitable sectors like petrochemicals, or aviation (as proposed under the TFM).

The ideas examined should have international applicability, as they are more likely to be politically palatable where multiple countries adopt the same approach. However, in advocating for these ideas we would seek to build support from the UK Government initially, as well as Brazil and other interested countries, to champion the idea in global fora – just as the UK Government has been a significant champion of the TFFF.

The work would involve Identifying and evaluating:

* existing proposals along these lines from different sources,
* similar ideas that may have been developed in other sectors or for other objectives, but which have potential applicability in relation to financing standing forests, and
* new proposals, drawing on the learnings from the evaluation of existing proposals.

The evaluation of new and existing ideas should include a description and comparative assessment of:

* 1. The players and partners already advocating for these (if any).
	2. the incentive for the private sector to engage i.e. to pay into these mechanisms if voluntary.
	3. a broadbrush qualitative analysis of the potential economic impact, or tax incidence where relevant, on those who contribute the funds and others who may be affected e.g. by subsequent price changes this may generate, or competitiveness impacts etc.). And any knock-on impacts in terms of incentives it might create to avoid or minimise the tax.
	4. possible scale of funds raised (in broad, relative terms).
	5. The potential to incorporate progression into the design of the levy to reward and incentivise reductions in environmental impact i.e. a Pigouvian element with different levels within the structure of the tax or levy.
	6. their likely political feasibility, incl. assessment of how existing proposals have been received by other stakeholders, how much traction they have gained, and what objections or blockages they have faced.
	7. How feasible they are unilaterally / bilaterally to begin with, and their potential for international uptake and scalability e.g. potential for replication and adoption across countries.
	8. Their suitability to support the implementation of the TFFF/TFM.
	9. Success criteria including what policies, actors, or enabling conditions would be needed to ensure effective implementation and / or large-scale uptake and implementation.

The evaluation of these ideas should include bilateral engagement and consultation with existing actors active in this space, as well as organising one or two consultation webinars (in collaboration with WWF), with relevant external parties (incl. experts, government representatives, private sector, financial sector) to obtain feedback on the ideas being developed or explored.

Based on this analysis and engagement, produce recommendations for the most promising idea/s, (agreed through discussion with WWF), the rationale behind them and case for them, and proposed ways forward in terms of building support and advocating for them more broadly.

**3.2 Outputs**

1. Interim report assessing options, developed in discussion with WWF, and to be used as basis for subsequent webinar consultation.
2. Running one to two webinars in collaboration with WWF, to consult external partners.
3. A final report containing recommendations based on analysis and feedback.

It is hoped that these recommendations will form the basis of an advocacy strategy to be subsequently implemented by WWF working with appropriate partners (potentially including the consultants conducting this scoping phase) with a view to informing the launch of the TFFF in Belem, in November 2025, and continuing beyond.

**3.3 Timeframe**

1. Project to start in March.
* Interim report by end / mid-May.
* Webinar/s to take place in May.
* Final report by end of June, incorporating feedback.

**4. In their response, the consultant must be able to demonstrate and evidence:**

1. Depth and breadth of expertise in this field in the charity /not for profit / NGO and commercial / private sectors (finance, supply chain management, commodities).
2. Understanding of the brief and propose options for the approach. Please include a plan for this project, your approach to respond to the research question(s), and outline possible time frames and requirements of us in a high-level project plan.
3. A strong team that can provide responsive service: Please provide short biographies for all those who would be involved on the project.
4. A strong alignment with WWF’s vision and mission with values that respect diversity, equality and inclusivity and evidence of partnership working. Please provide a short statement on this and how you evidence your values in your work.
5. Value for money; competitive pricing for expertise. We need fees to be clear and structured in a flexible way. Please state day / hourly rates and price per project element, ideally with capped fees. Please ensure that the fee proposal are fully broken down and itemised. If VAT registered, please ensure application of vat is clear. Please include any NGO discounts you may wish to offer. If relevant, please list any anticipated travel expenses separately.
6. Confidentiality and Data protection. If the proposed activities involve the processing of personal data, please provide a copy of your Data Protection Policy.
7. Diversity, Equality and Inclusivity (DE&I). Please share your approach to DE&I and how you would approach the project in this respect.
8. References. Please provide two referee clients. (We would not approach without your permission).

**5. The Selection Process**

In line with our procurement process, we are now approaching multiple organisations (to ensure we get at least 3 responses) who might be able to provide the above services. A panel, including of at least three members, will consider the responses and make a decision based on the following criteria, with approximate weightings shown:

* 1. **25%: The consultants proposed approach.**
	2. **20%: Depth and breadth of expertise as evidenced by recent client work**
	3. **20%: Values, partnership, inclusivity – alignment with WWF**
	4. **35%: Price – value for money**

**6. Timelines and Next Steps**

This RFIQ was issued during w/c **03 February 2025.**

Any potential providers can speak to Vassilis Gkoumas (vgkoumas@wwf.org.uk) with any queries. We aim to respond to any questions submitted by **27 February 2025**.

We request that all responses are returned to us by **02 March 2025**.

A decision will be made as soon as possible with a view to the project starting on **17 March 2025**.

**7. Contracting with WWF-UK:**

It is our requirement that an appointed external partner adopts our standards terms and conditions for engaging with us. These can be found here: <https://www.wwf.org.uk/about/procurement-terms-and-conditions>

 *Please confirm you are willing to accept these terms. Should you have any amends you wish to make, these will need to be discussed with the WWF-UK legal team.*

WWF-UK asks all suppliers to comply with the Supplier Code of Conduct and WWF-UK 3rd Party Expenses Policy. Both documents are enclosed within the tender pack. *Please confirm your acceptance of both.*

All contracted suppliers are required to register on Coupa (WWF-UK’s PO and invoice system). *Should you be successful in your bid, please confirm you will be willing to register on the system.*

--------------------------------------

Thank you for expressing an interest in working with and supporting WWF-UK with this important piece of work. We look forward to receiving your response.